

## Senate Bill No. 722

### CHAPTER 607

An act to amend Sections 6980.79, 7570, 7582.12, 7582.20, 7582.21, 7582.26, 7582.27, 7582.28, 7583.7, 7587.7, 7587.8, 7587.9, 7587.10, 7587.12, 7587.14, 7588, and 7599.70 of the Business and Professions Code, relating to private security services, and making an appropriation therefor.

[Approved by Governor October 7, 2001. Filed with  
Secretary of State October 9, 2001.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 722, Figueroa. Security businesses.

The Private Security Services Act provides for the licensure and regulation by the Department of Consumer Affairs and its Bureau of Security and Investigative Services of persons engaged in the provision of private security services and requires, among other matters, that a person entering the employ of a private security service take a 2-hour training class regarding the power to arrest. The act requires the department to make available a guidebook as a standard for teaching this course.

This bill would change the length of the power to arrest training class required by the act to 3 hours and would require that the majority of the courses be taught by verbal instruction. The bill would require a private patrol operator to provide a copy of the guidebook prepared by the department to each person he or she intends to employ or currently employs as a security guard.

Existing law provides for the payment of various fees and the assessment of fines for locksmith licensees, private investigators, private security services, private patrol operators, and alarm companies. Existing law requires private patrol operator licensees to meet various operating requirements.

This bill would increase the amounts of specified fees and fines. The bill would impose fines on private patrol operator licensees for violations of certain operating requirements. The bill would also delete specified provisions regarding agency regulation of fees and fines.

Because this bill would increase fee and fine revenue deposited into the Private Security Services Fund, a continuously appropriated fund, the bill would make an appropriation.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 6980.79 of the Business and Professions Code is amended to read:

6980.79. The fees prescribed by this chapter are those fixed in the following schedule:

(a) A locksmith license application fee may not exceed thirty dollars (\$30).

(b) An original license and renewal fee for a locksmith license may not exceed forty-five dollars (\$45).

(c) A branch office registration fee and branch office renewal fee may not exceed thirty-five dollars (\$35).

(d) Notwithstanding Section 163.5, the reinstatement fee as required by Section 6980.28 is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

(e) An initial registration fee for an employee may not exceed twenty dollars (\$20).

(f) A registration renewal fee for an employee performing the services of a locksmith may not exceed twenty dollars (\$20).

(g) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(h) All applicants seeking a license pursuant to this chapter shall also remit to the bureau the fingerprint fee that is charged to the bureau by the Department of Justice.

(i) The fee for a "Certificate of Licensure" may not exceed twenty dollars (\$20).

(j) A delinquency fee is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

SEC. 2. Section 7570 of the Business and Professions Code is amended to read:

7570. The fees prescribed by this chapter are as follows:

(a) The application and examination fee for an original license may not exceed fifty dollars (\$50).

(b) The application fee for an original branch office certificate may not exceed thirty dollars (\$30).

(c) The fee for an original license for a private investigator may not exceed one hundred seventy-five dollars (\$175).

(d) The renewal fee is as follows:

(1) For a license as a private investigator, the fee may not exceed one hundred twenty-five dollars (\$125).

(2) For a combination license as a private investigator and private patrol operator under Chapter 11.5 (commencing with Section 7580), AC or DC prefix, the fee may not exceed six hundred dollars (\$600).

(3) For a branch office certificate for a private investigator, the fee may not exceed thirty dollars (\$30), and for a combination private investigator and private patrol operator under Chapter 11.5 (commencing with Section 7580), the fee may not exceed forty dollars (\$40).

(e) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration.

(f) A reinstatement fee is equal to the amount of the renewal fee plus the regular delinquency fee.

(g) The fee for reexamination of an applicant or his or her manager may not exceed fifteen dollars (\$15).

SEC. 3. Section 7582.12 of the Business and Professions Code is amended to read:

7582.12. (a) The license shall at all times be posted in a conspicuous place in the principal place of business of the licensee.

(b) The director may assess a fine of two hundred fifty dollars (\$250) per violation of subdivision (a).

SEC. 4. Section 7582.20 of the Business and Professions Code is amended to read:

7582.20. (a) Every advertisement by a licensee soliciting or advertising business shall contain his or her name, address and license number as they appear in the records of the bureau. For the purpose of this section, “advertisement” includes any business card, stationary, brochure, flyer, circular, newsletter, fax form, printed or published paid advertisement in any media form, or telephone book listing. Every advertisement by a licensee soliciting or advertising the licensee’s business shall contain his or her business name, business address or business telephone number, and license number, as they appear in the records of the bureau.

(b) The director may assess a fine of two hundred fifty dollars (\$250) per violation of subdivision (a).

SEC. 5. Section 7582.21 of the Business and Professions Code is amended to read:

7582.21. (a) A licensee shall not advertise or conduct business from any location other than that shown on the records of the bureau as his or her principal place of business unless he or she has received a branch office certificate for the location after compliance with the provisions of this chapter and any additional requirements necessary for the protection of the public as the director may by regulation prescribe. A licensee shall notify the bureau in writing within 10 days after closing or changing the location of a branch office.

(b) The director may assess a fine of five hundred dollars (\$500) for the first violation of subdivision (a) and one thousand dollars (\$1,000) for each violation thereafter.

SEC. 6. Section 7582.26 of the Business and Professions Code is amended to read:

7582.26. (a) Any licensee or officer, director, partner, or manager of a licensee may divulge to any law enforcement officer or district attorney, or his or her representative, any information he or she may acquire as to any criminal offense, but he or she shall not divulge to any other person, except as he or she may be required by law so to do, any information acquired by him or her except at the direction of the employer or client for whom the information was obtained.

(b) No licensee or officer, director, partner, manager, or employee of a licensee shall knowingly make any false report to his or her employer or client for whom information was being obtained.

(c) No written report shall be submitted to a client except by the licensee, qualifying manager, or a person authorized by one or either of them, and the person submitting the report shall exercise diligence in ascertaining whether or not the facts and information in the report are true and correct.

(d) No licensee, or officer, director, partner, manager, or employee of a licensee, shall use a title, or wear a uniform, or use an insignia, or use an identification card, or make any statement with the intent to give an impression that he or she is connected in any way with the federal government, a state government, or any political subdivision of a state government.

(e) No licensee, or officer, director, partner, manager, or employee of a licensee, shall enter any private building or portion thereof, except premises commonly accessible to the public, without the consent of the owner or of the person in legal possession thereof.

(f) No private patrol licensee or officer, director, partner, manager, or employee of a private patrol licensee shall use or wear a badge, except while engaged in guard or patrol work and while wearing a distinctive uniform. A private patrol licensee or officer, director, partner, manager, or employee of a private patrol licensee wearing a distinctive uniform shall wear a patch on each shoulder of his or her uniform that reads "private security" and that includes the name of the private patrol company by which the person is employed or for which the person is a representative and a badge or cloth patch on the upper left breast of the uniform. All patches and badges worn on a distinctive uniform shall be of a standard design approved by the director and shall be clearly visible.

The director may assess a fine of two hundred fifty dollars (\$250) per violation of this subdivision.



(g) No licensee shall permit an employee or agent in his or her own name to advertise, engage clients, furnish reports or present bills to clients, or in any manner whatever conduct business for which a license is required under this chapter. All business of the licensee shall be conducted in the name of and under the control of the licensee.

(h) No licensee shall use a fictitious name in connection with the official activities of the licensee's business.

(i) No private patrol operator licensee or officer, director, partner, or manager of a private patrol operator licensee, or person required to be registered as a security guard pursuant to this chapter shall use or wear a baton or exposed firearm as authorized by this chapter unless he or she is wearing a uniform which complies with the requirements of Section 7582.27.

SEC. 7. Section 7582.27 of the Business and Professions Code is amended to read:

7582.27. (a) Any person referred to in subdivision (i) of Section 7582.26 who uses or wears a baton or exposed firearm as authorized pursuant to this chapter shall wear a patch on each arm that reads "private security" and that includes the name of the company by which the person is employed or for which the person is a representative. The patch shall be clearly visible at all times. The patches of a private patrol operator licensee, or his or her employees or representatives shall be of a standard design approved by the director.

(b) The director may assess a fine of two hundred fifty dollars (\$250) per violation of subdivision (a).

SEC. 8. Section 7582.28 of the Business and Professions Code is amended to read:

7582.28. (a) Any badge or cap insignia worn by a person who is a licensee, officer, director, partner, manager, or employee of a licensee shall be of a design approved by the director, and shall bear on its face a distinctive word indicating the name of the licensee and an employee number by which the person may be identified by the licensee.

The provisions of this section shall not be construed to authorize persons to wear badges who are prohibited by Section 7582.26 from wearing badges.

(b) The director may assess a fine of two hundred fifty dollars (\$250) per violation of subdivision (a).

SEC. 9. Section 7583.7 of the Business and Professions Code is amended to read:

7583.7. (a) The course of training in the exercise of the power to arrest may be administered, tested, and certified by any licensee. The department may approve any person or school to teach the course in the

exercise of the power to arrest. The course of training shall be approximately three hours in length and shall cover the following topics:

- (1) Responsibilities and ethics in citizen arrest.
  - (2) Relationship between a security guard and a peace officer in making an arrest.
  - (3) Limitations on security guard power to arrest.
  - (4) Restrictions on searches and seizures.
  - (5) Criminal and civil liabilities.
    - (A) Personal liability.
    - (B) Employer liability.
  - (6) Any other topic deemed appropriate by the bureau.
- (b) The majority of the course shall be taught by means of verbal instruction. This instruction may include the use of a video presentation.
- (c) The department shall make available a guidebook as a standard for teaching the course in the exercise of the power to arrest. The department shall encourage additional training and may provide a training guide recommending additional courses to be taken by security personnel.
- (d) Private patrol operators shall provide a copy of the guidebook described in subdivision (c) to each person they currently employ as a security guard and to each individual they intend to hire as a security guard. The private patrol operator shall provide the guidebook to each person he or she intends to hire as a security guard a reasonable time prior to the time the person begins the course in the exercise of the power to arrest.
- (e) The bureau may inspect, supervise, or view the administration of the test at any time and without any prior notification. Any impropriety in the administration of the course or the test shall constitute grounds for disciplinary action.

SEC. 10. Section 7587.7 of the Business and Professions Code is amended to read:

7587.7. If, upon investigation, the director determines a licensee, including a corporation, or registrant is in violation of Section 7583.2, 7583.3, 7583.37, 7585.19, 7587.2, or 7587.14, the director may issue a citation to the licensee or registrant. The citation shall be in writing and shall describe with particularity the nature of the violation, including specific reference to the provision of law determined to have been violated. If the director deems it appropriate, the citation may contain an order of abatement fixing a reasonable time for abatement of the violation and may contain an assessment of an administrative fine. The amount of the fine shall in no event exceed two thousand five hundred dollars (\$2,500) or as otherwise provided in this chapter, whichever is less.

A citation or fine assessment shall inform the licensee or registrant that if he or she contests the finding of a violation, they may request a review by a disciplinary review committee in accordance with Section 7581.3. If a review is not requested pursuant to this section, payment of any fine shall not constitute an admission of the violation charged. If a review is not allowed under this chapter, a licensee or registrant may request a hearing in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code if he or she wishes to contest the findings of a violation, and if a hearing is not requested, payment of any fines shall not constitute an admission of the violation charged.

If the licensee or registrant neither requests a review, nor pays the assessed fine within 30 days of the assessment, the license or registration of the person shall not be renewed pursuant to the provisions of this chapter until the assessed fine is paid.

Administrative fines collected pursuant to this article shall be deposited in the Private Security Services Fund, which fund is hereby created to carry out the purposes of this chapter.

SEC. 11. Section 7587.8 of the Business and Professions Code is amended to read:

7587.8. The director may assess fines for the following acts pursuant to Article 4 (commencing with Section 7583) only as follows:

(a) Violation of subdivisions (a), (b), and (c) of Section 7583.2; one hundred dollars (\$100) per violation.

(b) Violation of subdivisions (h) and (i) of Section 7583.2; one hundred dollars (\$100) for the first violation and two hundred fifty dollars (\$250) per violation for each violation thereafter.

(c) Violation of subdivision (d) of Section 7583.2; one hundred dollars (\$100) per violation.

(d) Violation of subdivision (g) of Section 7583.2; five hundred dollars (\$500) for the first violation and one thousand five hundred dollars (\$1,500) per violation for each violation thereafter.

(e) Violation of subdivision (f) of Section 7583.2; two thousand five hundred dollars (\$2,500) per violation, notwithstanding any other provision of law.

SEC. 12. Section 7587.9 of the Business and Professions Code is amended to read:

7587.9. The director may assess fines for the following acts pursuant to Article 4 (commencing with Section 7583) only as follows:

(a) Violation of subdivisions (a) and (b) of Section 7583.3; twenty-five dollars (\$25) for the first violation and fifty dollars (\$50) per violation for each violation thereafter.



(b) Violation of subdivision (c) of Section 7583.3; two hundred fifty dollars (\$250) for the first violation and five hundred dollars (\$500) per violation for each violation thereafter.

(c) Violation of Section 7583.4; two hundred fifty dollars (\$250) for the first violation and five hundred dollars (\$500) per violation for each violation thereafter.

SEC. 13. Section 7587.10 of the Business and Professions Code is amended to read:

7587.10. The director may assess fines for the following acts pursuant to Article 4 (commencing with Section 7583) only as follows:

(a) Violation of subdivisions (c) and (d) of Section 7583.37; one hundred dollars (\$100) for the first violation and two hundred dollars (\$200) for each violation thereafter.

(b) Violation of subdivision (a) of Section 7583.37; one hundred dollars (\$100) for the first violation and five hundred dollars (\$500) for each violation thereafter.

(c) Violation of subdivision (e) of Section 7583.37; one thousand dollars (\$1000).

(d) Violation of subdivision (b) of Section 7583.37; one thousand dollars (\$1000) for the first violation and suspension of a firearm qualification card for six months for each violation thereafter.

SEC. 14. Section 7587.12 of the Business and Professions Code is amended to read:

7587.12. The director may assess fines for the following acts only as follows:

(a) Violations of paragraph (1), (2), (11), or (12) of subdivision (a) of Section 7585.19; one hundred dollars (\$100) for the first violation and five hundred dollars (\$500) for subsequent violations.

(b) Violations of paragraph (3), (7), (8), or (10) of subdivision (a) of Section 7585.19; five hundred dollars (\$500) for each violation.

(c) Violations of paragraph (6) of subdivision (a) of Section 7585.19; two hundred fifty dollars (\$250) for each hour shortened.

(d) Violations of paragraph (4) of subdivision (a) of Section 7585.19; five hundred dollars (\$500) for each violation.

(e) Violations of paragraph (5) of subdivision (a) of Section 7585.19; five hundred dollars (\$500) for every hour the course has been shortened.

(f) Violations of paragraph (9) of subdivision (a) of Section 7585.19; one thousand dollars (\$1,000) for each violation.

SEC. 15. Section 7587.14 of the Business and Professions Code is amended to read:

7587.14. The director may assess administrative fines against any licensee, registrant, or firearms qualification cardholder for failure to notify the bureau within 30 days of any change of residence or business

address. The principal place of business may be at a home or at a business address, but it shall be the place at which the licensee maintains a permanent office.

(a) The fine shall be twenty-five dollars (\$25) for the first violation and fifty dollars (\$50) per violation for each violation thereafter by a licensee.

(b) The fine shall be fifty dollars (\$50) for each violation by a registrant or a firearms qualification cardholder.

SEC. 16. Section 7588 of the Business and Professions Code is amended to read:

7588. The fees prescribed by this chapter are as follows:

(a) The application and examination fee for an original license for a private patrol operator may not exceed five hundred dollars (\$500).

(b) The application fee for an original branch office certificate for a private patrol operator may not exceed two hundred fifty dollars (\$250).

(c) The fee for an original license for a private patrol operator may not exceed seven hundred dollars (\$700).

(d) The renewal fee is as follows:

(1) For a license as a private patrol operator, the fee may not exceed seven hundred dollars (\$700).

(2) For a combination license as a private investigator under Chapter 11.3 (commencing with Section 7512) and private patrol operator, AC or DC prefix, the fee may not exceed six hundred dollars (\$600).

(3) For a branch office certificate for a combination private investigator under Chapter 11.3 (commencing with Section 7512) and private patrol operator, the fee may not exceed forty dollars (\$40), and for a private patrol operator, the fee may not exceed seventy-five dollars (\$75).

(e) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration.

(f) A reinstatement fee is equal to the amount of the renewal fee plus the regular delinquency fee.

(g) The fee for reexamination of an applicant or his or her manager shall be the actual cost to the bureau for developing, purchasing, grading, and administering each examination.

(h) Registration fees pursuant to this chapter are as follows:

(1) A registration fee for a security guard may not exceed forty dollars (\$40).

(2) A security guard registration renewal fee may not exceed thirty dollars (\$30).

(i) Fees to carry out other provisions of this chapter are as follows:

(1) A firearms qualification fee may not exceed eighty dollars (\$80).

(2) A firearms requalification fee may not exceed sixty dollars (\$60).

(3) An initial baton certification fee may not exceed fifty dollars (\$50).

(4) An application fee and renewal fee for certification as a firearms training facility or a baton training facility may not exceed five hundred dollars (\$500).

(5) An application fee and renewal fee for certification as a firearms training instructor or a baton training instructor may not exceed two hundred fifty dollars (\$250).

SEC. 17. Section 7599.70 of the Business and Professions Code is amended to read:

7599.70. Effective July 1, 1998, the bureau shall establish and assess fees and penalties for licensure and registration as follows:

(a) A company license application fee may not exceed thirty-five dollars (\$35).

(b) An original license fee for an alarm company operator license may not exceed two hundred eighty dollars (\$280). A renewal fee for an alarm company operator license may not exceed three hundred thirty-five dollars (\$335).

(c) A qualified manager application and examination fee may not exceed one hundred five dollars (\$105).

(d) A renewal fee for a qualified manager may not exceed one hundred twenty dollars (\$120).

(e) An original license fee and renewal fee for a branch office certificate may not exceed thirty-five dollars (\$35).

(f) Notwithstanding Section 163.5, the reinstatement fee as required by Sections 7593.12 and 7598.17 is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

(g) A fee for reexamination of an applicant for a qualified manager may not exceed two hundred forty dollars (\$240).

(h) An initial registration fee for an alarm agent may not exceed seventeen dollars (\$17).

(i) A registration renewal fee for an alarm agent may not exceed seven dollars (\$7).

(j) A firearms qualification fee may not exceed eighty dollars (\$80) and a firearms requalification fee may not exceed sixty dollars (\$60).

(k) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(l) The processing fee required pursuant to Sections 7593.7 and 7598.14 is the amount equal to the expenses incurred to provide a photo identification card.

(m) The fee for a "Certificate of Licensure" may not exceed fifty dollars (\$50).



(n) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration, but not less than twenty-five dollars (\$25).

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